

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA	:	CRIMINAL NO.
	:	
v.	:	DATE FILED:
	:	
MARGARET CAROLE FISHER	:	VIOLATION:
	:	18 U.S.C. § 1341
	:	(mail fraud -1 count)
	:	18 U.S.C. § 2
	:	(aiding and abetting)

INFORMATION

COUNT ONE

THE UNITED STATES ATTORNEY CHARGES THAT:

At all times material to this information:

_____ 1. Defendant MARGARET CAROLE FISHER found mortgages and refinancing opportunities for homeowners, and also handled real estate closings and home refinancing settlements. FISHER worked in Bala Cynwyd, Pennsylvania 19004, and at other locations in the Philadelphia area.

2. At various times, defendant MARGARET CAROLE FISHER worked on mortgage transactions with United Mortgage Service Company (United Mortgage), a mortgage broker, and Imperial Abstract and Settlement Company (Imperial), a title insurance agency, both of which are owned by Person # 1 known to the United States Attorney (Person # 1). Defendant MARGARET CAROLE FISHER also worked on mortgage transactions with United Settlement

Services (United Settlement), a title agency owned by the wife of Person #1. All three of these companies are located at 7 Bala Avenue, Suite 202, Bala Cynwyd, Pennsylvania 19004.

3. Defendant MARGARET CAROLE FISHER would receive a percentage of settlement fees when she brought in a client who utilized United Settlement, United Mortgage or Imperial.

4. Person # 1 was a mortgage broker, a settlement agent and an agent for title insurance companies Fidelity National Title Insurance Company of New York (Fidelity) and Stewart Title Guarantee Corporation (Stewart).

5. As an agent for these title insurance companies, Person # 1 was obligated to disburse funds from real estate transactions, including home refinancing transactions, as detailed on the HUD form 1. These requirements included, among other things, the obligation to pay off existing mortgages on the property with monies received from the financial company or financial institution from whom the homeowner was obtaining new financing. Any excess funds were to be distributed to the homeowner.

6. Any failure to payoff existing mortgages after a refinancing settlement would impact on the homeowner, the finance companies holding the existing mortgage, the finance companies holding the new mortgage, and the title insurance companies involved in the refinancing. If the original mortgage was not satisfied:

(a) the homeowner would be obligated to pay both the existing and new mortgages, in many cases more than doubling the debt on the home;

(b) the homeowner's credit rating might be adversely affected, because the homeowner's credit report would reflect both the existing mortgage and the new mortgage;

(c) the finance company holding the existing mortgage would be placed at greater risk that the homeowner, now having two mortgages, could not afford to repay the loan;

(d) the finance company holding the new mortgage would not be able to obtain any funds from the sale of the property in the event of foreclosure until after the holder of the existing mortgage received all of the money it was owed, despite the fact that the new mortgage company had already paid the money to retire the existing mortgage;

(e) both the finance company holding the existing mortgage and the company holding the new mortgage would face an increased risk that the homeowner would default on one or both of the mortgages, because the homeowner would have obligations on two mortgages instead of one; and

(f) the title insurance company would be at increased risk that it would be liable for the amount of at least one of the outstanding mortgages, because it was unlikely that a homeowner could afford to pay both mortgages, and because the value of the home would probably not be sufficient to satisfy both the new and the existing mortgage in the event of foreclosure.

THE SCHEME

7. From in or about Spring 2002 through in or about December 2004, in the Eastern District of Pennsylvania and elsewhere, defendant

MARGARET CAROLE FISHER,

together with Person # 1, devised and intended to devise a scheme to defraud homeowners A.D., M.A.M. and P.S., finance companies Wendover Financial Services (Wendover), Fairbanks Capital Corp. (Fairbanks), Countrywide Home Loans (Countrywide) and GMAC,

and title insurance companies Fidelity and Stewart, and to obtain money and property by means of false and fraudulent pretenses, representations and promises.

MANNER AND MEANS

It was part of the scheme that:

8. Defendant MARGARET CAROLE FISHER assisted Person # 1 in the fraudulent handling of settlements for mortgage refinancing, causing losses to homeowners, finance companies and title insurance companies of approximately \$459,864.66.

9. Defendant MARGARET CAROLE FISHER handled the settlement of home mortgage refinancing for homeowners using United Settlement, knowing that Person # 1, contrary to his fiduciary obligations to Fidelity and Stewart, and to the financial companies and homeowners involved in the refinancing transactions, would not pay off existing mortgages as stated on the HUD 1 form after settlements, but would instead keep those funds for himself or distribute them to defendant MARGARET CAROLE FISHER in the form of “loans” to her for which he knew were unlikely to be repaid.

10. On or about April 11, 2002, defendant MARGARET CAROLE FISHER conducted a settlement for the refinancing of homeowner A.D.’s home in Abington, Pennsylvania, during which she fraudulently caused homeowner A.D. to believe that the balance of \$108,656.44 on his existing mortgage with Wendover would be paid off shortly after settlement.

11. After settlement, defendant MARGARET CAROLE FISHER and Person #1, without the knowledge of homeowner A.D. or Fidelity, the title insurance company, did not pay off the existing mortgage held by Wendover on homeowner A.D.’s home as reflected on the

HUD 1 form for the transaction. Instead, Person # 1 wrongfully kept the approximately \$108,656.44 proceeds from the refinancing for himself.

12. Defendant MARGARET CAROLE FISHER and Person #1 attempted to keep homeowner A.D. from learning that his existing mortgage with Wendover had never been satisfied. Person # 1 directed Wendover to send future correspondence concerning homeowner A.D.'s mortgage to a P.O. Box in Bala Cynwyd, Pennsylvania, 19004, a post office box controlled by Person # 1, and not known to homeowner A.D. Person # 1 then made several payments on homeowner A.D.'s mortgage with Wendover. Defendant MARGARET CAROLE FISHER assured homeowner A.D., when homeowner A.D. was contacted by Wendover concerning the existing mortgage, that there had been a mistake and that she would handle the problem.

13. On or about February 6, 2004, defendant MARGARET CAROLE FISHER handled the settlement of homeowner M.A.M.'s home in Glenside, Pennsylvania, during which she fraudulently caused homeowner M.A.M., to believe that the balance of \$202,293.98 on homeowner M.A.M.'s existing mortgage with Fairbanks would be paid off shortly after settlement. FISHER directed homeowner M.A.M. to stop making payments on the existing mortgage at Fairbanks, and begin sending payments to Countrywide, M.A.M.'s new mortgage company.

14. After settlement, defendant MARGARET CAROLE FISHER and Person #1, without the knowledge of M.A.M. or Fidelity, the title insurance company, did not pay off the existing mortgage held by Fairbanks on homeowner M.A.M.'s home as reflected on the HUD 1

form. Instead, Person # 1 wrongfully kept the approximately \$202,293.98 in proceeds from the refinancing for himself.

15. Defendant MARGARET CAROLE FISHER and Person #1 attempted to keep homeowner M.A.M. from learning that her existing mortgage with Fairbanks had never been satisfied. Person # 1 directed Fairbanks to send future correspondence concerning homeowner M.A.M.'s mortgage to a P.O. Box in Bala Cynwyd, Pennsylvania, 19004, a post office box controlled by Person # 1, and not known to homeowner M.A.M. Person # 1 then made a few payments on homeowner M.A.M.'s mortgage with Fairbanks. Defendant MARGARET CAROLE FISHER falsely assured homeowner M.A.M., when homeowner M.A.M.'s home was put into foreclosure proceedings, that FISHER would provide documents to prove that the Fairbanks mortgage had been satisfied.

16. On or about April 29, 2004, defendant MARGARET CAROLE FISHER handled the settlement of Homeowner P.S.'s home in Abington, Pennsylvania, during which FISHER fraudulently caused homeowner P.S. to believe that the balance of approximately \$96,221.07 on her existing mortgage with GMAC would be paid off shortly after settlement.

21. After settlement, defendant MARGARET CAROLE FISHER and Person #1, without the knowledge of homeowner P.S., Countrywide (the holder of the new mortgage) or Stewart, the title insurance company, did not pay off the existing mortgage held by GMAC on homeowner P.S.'s home as reflected on the HUD 1 form. Instead, Person # 1 wrongfully kept the approximately \$96,221.07 in proceeds from the refinancing for himself.

22. Defendant MARGARET CAROLE FISHER and Person #1 attempted to keep homeowner P.S. from learning that her existing mortgage with GMAC had never been

satisfied. Person # 1 directed GMAC to send future correspondence concerning homeowner P.S.'s mortgage to Bala Cynwyd, Pennsylvania, 19004, the address of Person # 1's office, without homeowner P.S.'s knowledge or approval. Defendant MARGARET CAROLE FISHER made one payment to GMAC on homeowner P.S.'s mortgage out of an account FISHER controlled, and Person # 1 made a few additional payments on the GMAC mortgage out of accounts controlled by Person # 1. Defendant MARGARET CAROLE FISHER falsely claimed to homeowner P.S., after Homeowner P.S. learned that her mortgage with GMAC was in arrears, that homeowner P.S.'s loan with GMAC could not be closed due to problems with homeowner P.S.'s credit card debt. Homeowner P.S.'s home was put into foreclosure proceedings.

23. Defendant MARGARET CAROLE FISHER accepted at least \$70,000 in "loans" from Person # 1 that Person # 1 did not require her to repay.

24. On or about July 15, 2004, in the Eastern District of Pennsylvania and elsewhere, defendant

MARGARET CAROLE FISHER,

for the purpose of executing the scheme described above, and attempting to do so, and aiding and abetting its execution, knowingly caused to be delivered by mail according to the directions thereon, a mortgage statement from Wendover Financial Services, Charlotte, North Carolina, addressed to homeowner A.D., a P.O. in Box Bala Cynwyd, Pennsylvania 19004.

All in violation of Title 18, United States Code, Sections 1341 and 2.

PATRICK L. MEEHAN
UNITED STATES ATTORNEY